

Higher Education Higher Return

Talking Points on the Request

Supporting postsecondary and adult education is a wise investment that will yield a high rate of return for the Commonwealth. Investing in postsecondary and adult education makes sense for Kentucky. Raising the educational attainment level of our citizens and building our research capacity will lead to greater economic vitality, stronger communities, and a better quality of life for all Kentuckians.

Kentucky's investment in postsecondary and adult education since the passage of the reforms is already paying off. Enrollments and degree production at our colleges and universities are at an all-time high. Since 1998, total postsecondary education enrollment has increased 27 percent. Our six-year graduation rate has increased from 37 percent to 44 percent during that same time. The increases in our adult education enrollment (up 149 percent) and GED production are among the highest in the nation. Kentucky ranks 14th nationally in providing affordable postsecondary opportunities. Since 1997 the *Bucks for Brains* program has dedicated \$700 million to build endowment in support of research and academic programs at the public universities, and Kentucky increased its federal research and development spending by 92 percent.

Despite this progress, Kentucky still trails the nation in the education level of our citizens. Over the next 15 years we will need to double the number of Kentuckians with bachelor's degrees to reach the national average in educational attainment. Only 15 of every 100 Kentucky ninth graders actually finish high school, enter a university, college, or technical institution, and graduate in a timely manner. As a result of this, Kentucky ranks 47th in the nation in the percent of adults with bachelor's degrees or higher. The low level of educational attainment in Kentucky creates a vicious cycle. Too many of our citizens are falling through the economic cracks because they do not have the education and skills to compete in today's knowledge economy. And Kentucky is losing too many opportunities to attract and maintain higher paying jobs because we do not have the highly-skilled workforce to compete with other states and countries in the national and international economies.

The fiscal challenges are growing. Despite an increased state investment in our postsecondary and adult systems since 2000, state funding on a per-student basis has actually decreased due to growing enrollments. In 2000, general fund appropriations per student were nearly \$7,000. Today that figure is less than \$6,600. Compounding the financial problems, fixed costs on campuses in areas such as heating, electricity, salaries, retirement, and health insurance continue to rise and take a larger portion of operating dollars. The result? Larger classes, fewer services, and higher costs passed on to students. In 1999, tuition and fee revenue made up 33 percent of college and university operating funds while 67 percent was covered by the state. In 2006, the student-funded portion is expected to rise to 46 percent while the state's share will drop to 54 percent.

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One Mission: Better Lives for Kentucky's People

The Council on Postsecondary Education's 2006-2008 budget request is ambitious, but additional resources are essential if we are to achieve the goals set forth in the reform legislation and the public agenda. The budget request is focused in key areas including: improving student preparation for postsecondary work; ensuring an affordable, accessible system of postsecondary education; increasing Kentucky's level of educational attainment; improving the preparation of students for life and work; strengthening Kentucky's workforce and economic infrastructure; and creating a more collaborative, unified, efficient, and seamless system of education. The Council seeks an increase in general fund appropriations of \$223.5 million for operating expenditures and \$63.2 million in capital funding for 2006-2008.

Priority 1: Base funding increases for adult education, the postsecondary institutions, and the Council on Postsecondary Education to support increased enrollments and necessary future growth, attract and retain faculty and staff talent, and address growing fixed costs on campus (heating fuel, health insurance, and retirement, among others).

Priority 2: Strategic incentive funding increases for critical postsecondary reform initiatives including support for *Bucks for Brains* to draw talented researchers to Kentucky and research infrastructure to promote economic development, foster innovation and commercialization, and stimulate business development. Incentive funding also will support key initiatives that will further our reform agenda such as regional stewardship, workforce development, college access, faculty development, and public health improvements.

Priority 3: Capital funding for the construction or renovation of 19 instructional and research/economic development buildings as well as funding for a pool to support building renewal, replacement, and maintenance, and another to support information technology.

Priority 4: Special initiative funding to address key postsecondary issues and needs including retention and affordability for institutions serving disproportionately low-income student populations, K-12 school leadership education and professional development, minority preparation and support, and college preparation.

Complementary Requests: (1) A joint funding proposal from the Council on Postsecondary Education, the Education Professional Standards Board, and the Department of Education through the Education Cabinet to support statewide P-16 programs and improve the technology infrastructure for all levels of education in the Commonwealth and (2) adequate support for Kentucky's need-based student aid programs to ensure all Kentuckians, regardless of income, have the means to go to college.

*For more information about these priorities
and specific budget requests, please visit:
www.cpe.ky.gov/06session*